**Inclusion of audit observations of CAG in the Annual Reports of Ministries**

*183 SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has directed all Ministries to include in their Annual Reports as special annexures the audit observations by the Comptroller and Auditor General (CAG); and

(b) if so, the details thereof and the action taken in the matter?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Yes, sir. Instructions have been issued to all the Ministries/Departments in include, as a separate Annexure, the summary of most recent and important audit observations of Comptroller and Auditor General in their respective Annual Reports.

SHRI C. RAMACHANDRAIAH: May I know from the hon. Minister as to what is the purpose of giving these instructions? I would also like to know whether any Action Taken Report is also being called from various departments, becuase, considering the observations of the CAG, it is the exclusive domain of the Public Accounts Committee. As far as my knowledge goes, PAC has not favoured the respective departments making observations or referring it to Parliamentary Standing Committees. What exactly is the purpose for which these instructions have been given? May I know this from the hon. Minister?

SHRI P. CHIDAMBARAM: Sir, while inagurating the 21st Conference of Accountants General on 16th April. 2001, the then Prime Minister, Shri Atal Bihari Vajpayee, suggested that in future the Annual Reports of every department and Ministry must carry the CAG Report for that department or Ministry even if it is for the previous year. The suggestion of the then Prime Minister was examined by the CAG. The Cabinet Secretariat, *vide* its letter dated 13th June, 2004, forwarded a copy of the CAG's letter dated 30th May, 2002, regarding inclusion of the observations in the Annual Reports. Based on the instructions issued by the Prime Minister and the Cabinet Secretariat, this paragraph is now being included in the Annual Report of each Ministry. The purpose, as far as I can gather from the records, is when Parliament discusses Annual Report of a Ministry it will

also have the auditor's comment on that Ministry so that, maybe, a debate can take place on the matters which auditor has found. I don't think there is anything sinister about it. It is just to help the debate.

MR. CHAIRMAN: Second supplementary.

SHRI C. RAMACHANDRAIAH: I am satisifed with the reply from the hon. Minister. I have no supplementary to put.

**Filing of Income-Tax returns**

*184. SHRI ABU ASIM AZMI:

SHRI AMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the number of persons who have filed Income-tax return after the introduction of one-by-six scheme Under Section 139 of the Income Tax Act, 1961, during each year from 2000-01 to 2003-04;

(b) income-tax collected during each of these years under the Scheme;

(c) whether it is a fact that there has been reduction in the number of persons filing return under this category and if so, the reasons therefor; and

(d) whether Government propose to do away with the requirement in respect of those persons whose income is not taxable and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the table of the House.

***Statement***

(a) The number of persons who have filed Income-tax returns after the introduction of one-by-six scheme under Section 139 of the Income Tax Act, 1961 during the each year from 2000-01 to 2003-04 is as under:

| Financial Year | Total No. of returns filed (including under1/6 scheme) | No. of returns filed under 1/6 scheme |
|---|---|---|
| 2000-01 | 201.69 lakhs | 6.16 lakhs |
| 2001-02 | 244.24 lakhs | 30.59 lakhs |
| 2002-03 | 245.30 lakhs | 4.95 lakhs |
| 2003-04 | 234.25 lakhs | 0.71 lakhs |

(b) Only those persons who are not having taxable income and who